

Farm Sector Financial Performance Improved Across the Nation

Ken Erickson

Financial ratios reflect the stresses and strains on resources used in agricultural production at the sector level (United States, production region, and State). They are not representative of individual farms, but are composites or averages of all farms. The nature and structure of agriculture varies not only across regions and States at a point in time (for example, between the Corn Belt and the Mountain States in 1996), but also within regions and States over time (for example, the Corn Belt in 1990 and 1996). The financial ratios can be estimated by USDA production regions to provide a perspective about the extent of variation in performance.³

Overall profitability and solvency for the “average farm” in each region was much higher in 1996 than in 1985 (during the “farm financial crisis” years). Also, overall profitability and solvency were noticeably higher in 1996 than in 1990.

³The USDA production regions are Northeast (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont); Lake States (Michigan, Minnesota, Wisconsin); Corn Belt (Illinois, Indiana, Iowa, Missouri, Ohio); Northern Plains (Kansas, Nebraska, North Dakota, South Dakota); Appalachia (Kentucky, North Carolina, Tennessee, Virginia, West Virginia); Southeast (Alabama, Florida, Georgia, South Carolina); Delta (Arkansas, Louisiana, Mississippi); Southern Plains (Oklahoma, Texas); Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming); Pacific (California, Oregon, Washington). Alaska and Hawaii have been omitted due to insufficient data.

Total returns to farm assets (from current income and from real capital gains) in 1996 were highest in the Pacific States (9.2 percent, down from 9.5 percent in 1990). Other regions with total rates of return on farm assets greater than the U.S. 1996 average of 6.3 percent include the Corn Belt (8.2 percent), the Northern Plains (8.9 percent), Southeast (6.5 percent), Delta (6.6 percent). Those regions with total rates of return on farm assets less than the U.S. average include the Northeast (2.8 percent), the Lake States (3.9 percent), Appalachia (5.3 percent), Southern Plains (2.8 percent), and Mountain States (5.4 percent). These rates of return in 1996 are in contrast to a decade earlier when they were negative for each production region.

The Northeast (12.1 percent), Mountain (12.3 percent), Appalachia (12.7 percent), Southern Plains (12.9 percent), Southeast (14.5 percent), and Corn Belt (14.7 percent) had debt-to-asset ratios (solvency measures) less than the U.S. average of 15.1 percent. Solvency ratios exceeded the U.S. average in the Pacific region (17.1 percent), Lake States (18.9 percent), the Delta (18.7 percent), and Northern Plains (18.7 percent). Most regions had very similar or even lower debt-to-asset ratios in 1996 compared with 1990, and according to this measure, were notably more solvent than in 1985.

Definition of Financial Ratios¹

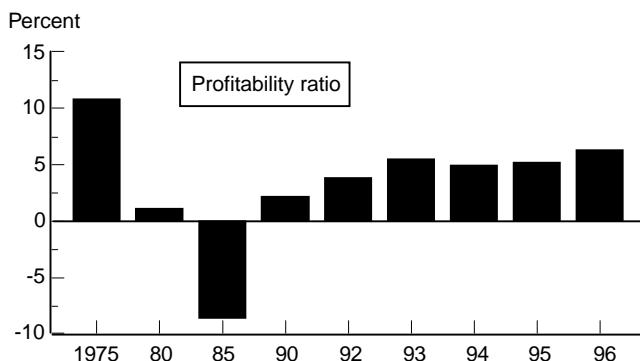
Ratio	Computation method	Significance
Liquidity:		
Farm business debt service coverage	$\frac{\text{Net cash farm income} + \text{interest}}{\text{Interest} + \text{principal payments}}$	Measures the farm business's ability to repay both interest and principal
Debt servicing	$\frac{\text{Interest} + \text{principal payments}}{\text{Gross cash farm income}}$	Measures the share of the farm business's gross income needed to service debt
Times interest	$\frac{\text{Net farm income before interest and taxes}}{\text{Interest payments}}$	Measures the farm business's ability to service debt out of net income earned
Efficiency:		
Gross ratio	$\frac{\text{Cash operating expenses}}{\text{Gross cash farm income}}$	Measures the proportion of gross cash farm income absorbed by cash operating expenses
Interest to gross cash income	$\frac{\text{Interest}}{\text{Gross cash farm income}}$	Measures the share of gross cash farm income committed to interest payments
Asset turnover	$\frac{\text{Gross cash farm income}}{\text{Farm business assets}}$	Measures the gross farm income generated per dollar of farm business assets
Net cash farm income to debt (debt burden ratio)	$\frac{\text{Net cash farm income}}{\text{Farm business debt}}$	Measures the burden placed on net cash farm income to retire outstanding debt
Solvency:		
Debt to assets	$\frac{\text{Farm business debt}}{\text{Farm business assets}}$	Measures debt pledged against farm business assets, indicating overall financial risk
Debt to equity	$\frac{\text{Debt}}{\text{Equity}}$	Measures the relative proportion of funds invested by creditors (debt) and owners (equity)
Profitability:		
Rates of return on assets—		
Current income	$\frac{\text{Returns to farm assets from current income}}{\text{Farm business assets}}$	Measures how efficiently the farm business uses its assets; the per dollar return on farm assets (from current income only)
Real capital gains	$\frac{\text{Real capital gains on farm business assets}}{\text{Farm business assets}}$	The per dollar return on farm assets from real capital gains
Rates of return on equity—		
Current income	$\frac{\text{Returns to farm assets from current income} - \text{interest}}{\text{Farm business equity}}$	Measures the returns to equity capital employed in farm business from current income less interest
Real capital gains	$\frac{\text{Real capital gains on farm business assets}}{\text{Farm business equity}}$	The per dollar return on farm equity from real capital gains
Operating profit margin	$\frac{\text{Returns to farm assets}}{\text{Gross cash farm income}}$	Measures profits earned per dollar of gross cash income

¹Asset, debt, and equity values are an average for December 31 of the current and previous years.

Figure 4-1

Rates of return to assets, 1975-96¹

Farm sector investments have been profitable in the 1990's

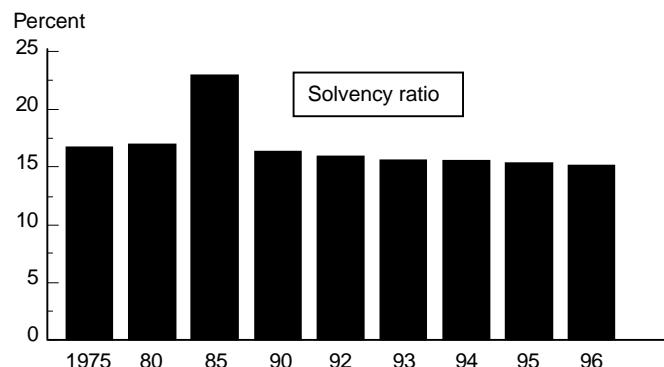


¹Return to farm assets from current income and real capital gains.

Figure 4-2

Debt asset ratios, 1975-96¹

Farm sector solvency steadily improving

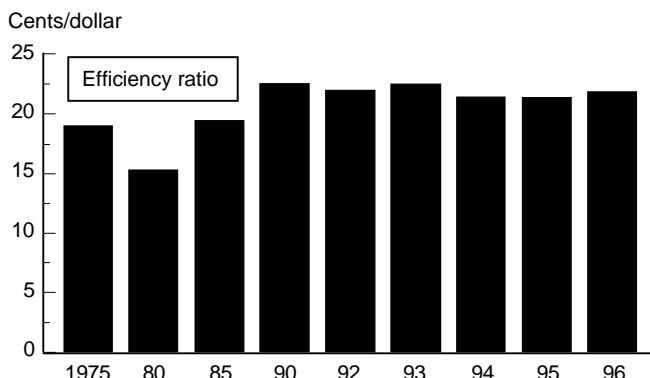


¹Farm business debt/farm business assets.

Figure 4-3

Asset turnover ratios, 1975-96¹

Greater gross returns per dollar invested in the 1990's

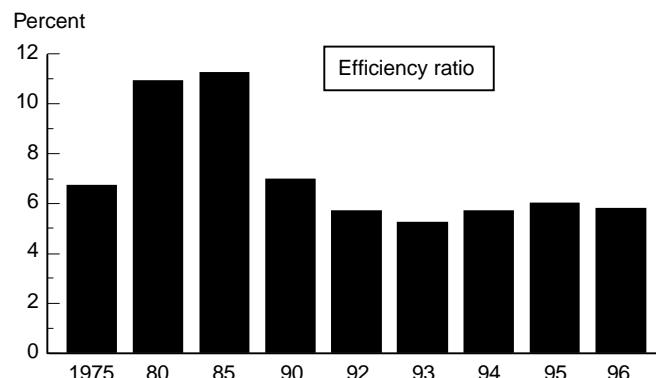


¹Measures gross cash income generated per dollar of farm assets.

Figure 4-4

Interest-to-gross-cash income ratios, 1975-96¹

Lower income and larger debt boosted ratio slightly in 1995

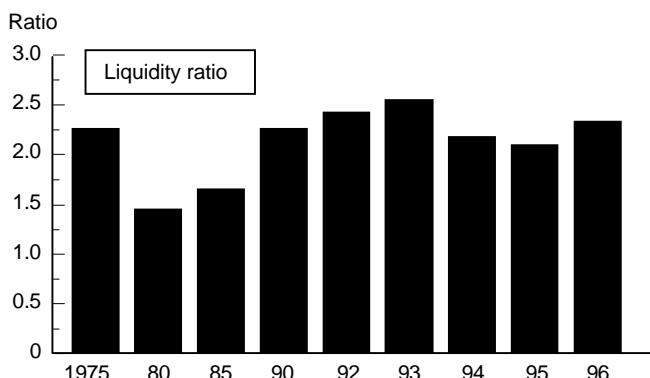


¹Interest payment/gross cash farm income.

Figure 4-5

Farm debt service coverage ratios, 1975-96¹

Liquidity has improved in the 1990's

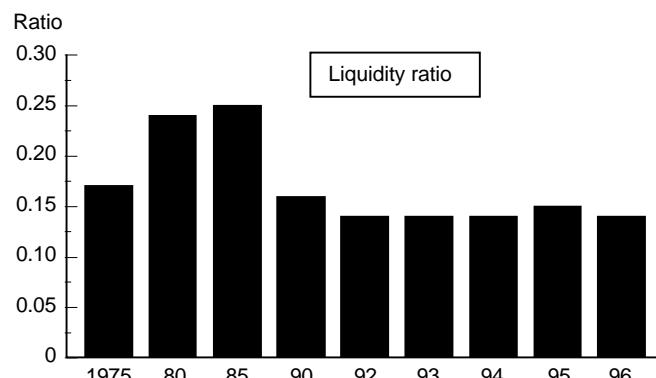


¹Net cash income + interest/interest + principal payments.

Figure 4-6

Debt servicing ratios, 1975-96¹

Farmers have been better able to pay debts in 1990's



¹Interest + principal payments/gross cash farm income.

Table 4-1—Farm financial ratios, United States, 1960-96

Year	Liquidity			Efficiency			
	Farm business debt service coverage	Debt servicing	Times interest earned	Gross ratio	Interest to gross cash farm income	Asset turnover ratio	Net cash farm income to debt
<i>Ratio</i>							
1960	3.48	0.12	10.46	63.37	3.63	20.16	64.28
1961	3.51	0.12	10.51	62.97	3.65	20.73	64.45
1962	3.25	0.12	9.77	64.39	3.84	20.77	59.74
1963	2.93	0.13	8.72	65.62	4.19	20.47	54.13
1964	2.71	0.15	7.44	64.96	4.52	19.88	51.08
1965	2.62	0.15	8.02	65.23	4.71	19.86	49.04
1966	2.82	0.15	7.82	63.81	4.70	20.72	51.36
1967	2.35	0.16	6.57	67.53	5.30	19.33	43.03
1968	2.31	0.17	6.24	66.96	5.49	19.15	43.09
1969	2.56	0.16	6.48	65.45	5.52	20.01	46.60
1970	2.45	0.16	6.02	66.45	5.85	20.04	45.34
1971	2.27	0.17	5.97	68.08	5.98	19.46	42.00
1972	2.58	0.16	6.76	64.72	5.58	20.47	47.95
1973	3.35	0.13	8.99	60.15	4.91	23.80	63.95
1974	2.86	0.15	6.33	62.86	5.79	21.61	56.09
1975	2.26	0.17	5.50	67.38	6.70	18.90	44.34
1976	2.05	0.19	4.22	69.21	7.22	17.64	40.79
1977	1.74	0.21	3.76	71.93	8.21	15.98	34.81
1978	1.77	0.21	3.82	71.75	8.35	16.53	36.03
1979	1.57	0.22	3.40	75.28	9.27	16.23	32.94
1980	1.45	0.24	2.23	76.13	10.91	15.23	31.31
1981	1.32	0.27	2.57	77.55	13.09	14.86	29.72
1982	1.39	0.28	2.28	74.82	13.87	15.70	31.83
1983	1.38	0.28	1.87	74.62	13.61	16.01	31.02
1984	1.35	0.27	2.43	76.02	12.99	17.34	29.99
1985	1.65	0.25	2.78	70.14	11.25	19.37	34.95
1986	1.82	0.23	3.15	68.67	10.28	20.42	38.02
1987	2.14	0.19	3.83	67.57	8.78	22.28	45.11
1988	2.24	0.17	4.02	68.98	7.95	35.24	47.60
1989	2.24	0.16	4.64	70.72	7.47	22.39	47.69
1990	2.26	0.16	4.77	71.70	6.96	22.50	47.74
1991	2.20	0.15	4.67	72.68	6.37	21.78	44.75
1992	2.42	0.14	5.82	70.82	5.71	21.92	47.26
1993	2.55	0.14	5.55	70.59	5.23	22.43	49.25
1994	2.17	0.14	5.67	74.42	5.72	21.40	42.91
1995	2.10	0.15	4.41	75.04	6.00	21.27	42.59
1996	2.33	0.14	5.47	72.83	5.79	21.84	47.35

See footnote at end of table.

Continued—

Table 4-1—Farm financial ratios, United States, 1960-96—Continued

State	Solvency		Profitability			Returns to farm assets to gross cash farm income			
	Debt to assets	Debt to equity	Current income	Real capital gains	Total	Current income	Real capital gains	Total	
<i>Percent</i>									
1960	12.87	14.78	2.29	0.14	2.43	1.79	0.39	2.18	11.37
1961	13.29	15.33	2.93	3.71	6.63	2.50	4.36	6.85	14.11
1962	14.12	16.44	2.90	2.55	5.45	2.44	3.16	5.60	13.99
1963	15.03	17.69	2.99	3.37	6.36	2.49	4.15	6.64	14.59
1964	15.75	18.69	2.36	3.27	5.63	1.73	4.08	5.81	11.89
1965	16.22	19.36	3.39	4.87	8.26	2.92	6.09	9.02	17.06
1966	16.76	20.14	3.68	2.73	6.42	3.24	3.86	7.10	17.77
1967	17.16	20.72	2.76	1.92	4.68	2.09	2.84	4.93	14.30
1968	17.08	20.60	2.51	0.88	3.38	1.76	1.87	3.63	13.10
1969	17.33	20.97	3.07	-0.14	2.94	2.38	0.68	3.05	15.36
1970	17.48	21.19	2.95	-0.53	2.42	2.15	0.31	2.46	14.73
1971	17.64	21.42	3.03	2.94	5.97	2.26	4.34	6.61	15.56
1972	17.27	20.88	4.22	7.14	11.36	3.72	9.32	13.04	20.59
1973	16.16	19.28	7.71	11.25	18.96	7.85	14.74	22.58	32.39
1974	16.89	20.32	4.55	-1.23	3.32	3.95	0.40	4.35	21.05
1975	16.65	19.97	3.62	7.20	10.82	2.83	9.85	12.68	19.16
1976	16.26	19.42	2.11	9.43	11.54	1.00	12.24	13.24	11.95
1977	17.02	20.50	1.76	3.72	5.49	0.54	5.61	6.16	11.04
1978	16.60	19.91	2.37	8.00	10.37	1.19	10.98	12.17	14.32
1979	16.87	20.30	2.54	5.25	7.79	1.25	7.96	9.21	15.68
1980	16.97	20.44	1.20	-0.03	1.17	-0.56	1.83	1.27	7.88
1981	18.57	22.80	2.29	-6.34	-4.05	0.42	-6.18	-5.76	15.40
1982	19.99	24.98	2.21	-7.24	-5.03	0.04	-7.84	-7.80	14.06
1983	20.26	25.40	1.31	-2.42	-1.11	-1.09	-2.01	-3.10	8.19
1984	22.61	29.22	3.24	-12.51	-9.27	1.25	-15.03	-13.77	18.67
1985	22.98	29.84	3.63	-12.28	-8.65	1.88	-14.72	-12.84	18.76
1986	21.66	27.65	3.11	-7.40	-4.28	1.31	-8.82	-7.51	15.25
1987	19.10	23.61	4.12	0.88	5.00	2.71	2.22	4.93	18.49
1988	17.64	21.43	5.98	1.29	7.27	2.47	1.97	4.44	16.96
1989	16.89	20.32	4.36	-0.89	3.47	3.25	-0.15	3.10	19.48
1990	16.36	19.56	4.01	-1.82	2.19	2.93	-1.11	1.82	17.83
1991	16.44	19.67	2.93	-1.94	0.99	1.84	-1.70	0.14	13.43
1992	15.94	18.96	3.98	-0.15	3.84	3.26	0.42	3.68	18.17
1993	15.61	18.50	2.91	2.44	5.35	2.07	3.32	5.39	12.99
1994	15.60	18.48	3.58	1.33	4.91	2.79	2.01	4.79	16.71
1995	15.33	18.10	2.13	3.10	5.24	1.01	4.13	5.14	10.02
1996	15.09	17.77	3.77	2.52	6.29	2.95	3.38	6.33	17.25

Source: Economic Research Service, U.S. Department of Agriculture.

Table 4-2—Farm financial ratios by State, 1992

Year	Liquidity			Efficiency			
	Farm business debt service coverage	Debt servicing	Times interest earned	Gross ratio	Interest to gross cash farm income	Asset turnover ratio	Net cash farm income to debt
<i>Ratio</i>							
Alabama	4.73	0.09	10.91	61.99	3.36	28.86	94.44
Alaska	3.04	0.14	5.69	63.77	6.62	5.53	60.34
Arizona	2.99	0.15	6.43	62.61	6.29	16.26	68.85
Arkansas	2.92	0.11	6.45	71.30	4.58	33.39	56.73
California	2.84	0.12	6.78	69.75	4.84	28.24	53.31
Colorado	2.01	0.14	4.43	78.06	5.67	24.84	40.69
Connecticut	5.28	0.09	13.67	58.12	3.08	21.96	108.31
Delaware	2.70	0.09	6.66	78.92	3.23	48.39	51.11
Florida	5.09	0.10	11.54	53.99	4.34	26.28	88.14
Georgia	3.86	0.12	8.89	60.20	4.69	29.73	73.72
Hawaii	2.09	0.10	5.46	82.98	4.07	12.92	38.45
Idaho	2.55	0.16	6.10	64.55	6.05	25.30	49.35
Illinois	1.38	0.18	4.41	83.15	7.36	15.82	26.68
Indiana	1.15	0.18	3.44	87.10	7.80	18.29	21.64
Iowa	1.97	0.16	4.85	74.21	6.61	22.65	38.37
Kansas	1.95	0.15	5.35	77.13	5.68	27.67	41.30
Kentucky	3.20	0.14	7.59	60.89	5.61	20.16	58.17
Louisiana	2.16	0.16	4.24	72.12	6.07	26.62	45.76
Maine	2.75	0.13	8.75	70.03	4.60	26.13	59.55
Maryland	2.65	0.12	6.32	73.08	4.63	22.24	47.66
Massachusetts	3.59	0.13	10.16	58.12	4.27	15.77	72.29
Michigan	1.94	0.14	4.48	77.61	5.63	22.50	37.12
Minnesota	1.91	0.17	4.14	73.49	6.63	21.16	37.27
Mississippi	1.88	0.16	4.12	76.78	6.25	26.41	38.01
Missouri	1.54	0.19	3.43	78.62	7.80	16.32	29.57
Montana	2.25	0.21	4.18	61.60	8.73	12.89	41.32
Nebraska	2.27	0.15	6.46	71.63	5.53	28.69	47.57
Nevada	2.77	0.15	4.80	65.88	6.34	11.24	49.69
New Hampshire	4.81	0.09	14.35	62.17	3.05	16.24	94.06
New Jersey	3.13	0.11	9.25	68.24	3.80	11.62	55.15
New Mexico	3.10	0.13	7.43	65.54	4.93	15.63	59.90
New York	2.48	0.14	5.78	69.78	5.11	23.61	51.17
North Carolina	5.50	0.08	13.35	58.64	3.08	38.37	104.44
North Dakota	2.03	0.20	5.20	68.09	7.77	18.21	41.51
Ohio	2.34	0.13	5.42	74.21	5.71	17.66	45.10
Oklahoma	1.93	0.19	4.44	70.71	7.19	19.32	40.20
Oregon	2.17	0.14	4.93	75.54	5.26	23.30	36.86
Pennsylvania	3.09	0.12	7.51	68.39	4.51	19.95	58.10
Rhode Island	6.85	0.09	24.30	41.50	2.49	21.97	129.37
South Carolina	3.09	0.13	6.68	65.56	4.95	18.99	58.23
South Dakota	2.07	0.20	5.97	65.65	7.18	19.50	42.64
Tennessee	2.45	0.17	5.47	65.71	6.28	13.90	47.30
Texas	2.29	0.15	5.66	71.88	5.96	17.53	47.85
Utah	2.89	0.15	7.04	61.45	6.20	14.36	56.99
Vermont	3.20	0.12	8.84	64.60	4.48	21.92	60.50
Virginia	2.74	0.15	5.90	63.99	6.40	14.66	50.34
Washington	2.93	0.11	7.55	71.83	4.05	29.63	56.27
West Virginia	2.00	0.19	3.58	69.98	8.04	10.58	34.09
Wisconsin	2.14	0.16	3.97	72.75	6.05	25.82	42.38
Wyoming	2.00	0.19	5.05	69.26	7.13	13.45	39.55
United States	2.42	0.14	5.82	70.82	5.71	21.92	47.26

See footnote at end of table.

Continued—

Table 4-2—Farm financial ratios by State, 1992—Continued

State	Solvency		Profitability				Returns to farm assets to gross cash farm income		
	Debt to assets	Debt to equity	Rates of return on assets from:		Rates of return on equity from:				
		Current income	Real capital gains	Total	Current income	Real capital gains	Total		
<i>Percent</i>									
Alabama	12.18	13.87	5.51	2.07	7.58	5.20	2.82	8.01	19.09
Alaska	3.39	3.51	-0.17	-4.21	-4.38	-0.56	-4.24	-4.80	-3.14
Arizona	9.83	10.90	5.32	-1.25	4.07	4.79	-1.02	3.77	32.69
Arkansas	19.13	23.66	6.74	1.17	7.91	6.48	2.21	8.68	20.18
California	18.36	22.48	7.09	-0.34	6.75	7.03	0.29	7.31	25.10
Colorado	16.29	19.46	3.37	2.02	5.39	2.36	3.06	5.42	13.57
Connecticut	8.67	9.49	3.75	7.95	11.70	3.38	9.06	12.44	17.08
Delaware	23.06	29.98	8.00	4.76	12.77	8.37	7.06	15.43	16.54
Florida	15.31	18.07	9.94	-2.40	7.54	10.35	-2.29	8.07	37.83
Georgia	17.36	21.01	9.18	4.32	13.50	9.48	5.94	15.42	30.86
Hawaii	7.29	7.86	1.23	-0.66	0.57	0.76	-0.48	0.28	9.53
Idaho	21.28	27.02	6.85	-0.54	6.31	6.76	0.14	6.89	27.07
Illinois	14.37	16.78	4.19	-2.37	1.81	3.53	-2.26	1.27	26.45
Indiana	16.98	20.46	2.73	0.51	3.24	1.58	1.27	2.85	14.91
Iowa	18.81	23.16	5.16	0.90	6.06	4.53	1.84	6.36	22.78
Kansas	19.04	23.52	4.99	-1.70	3.29	4.23	-1.38	2.84	18.03
Kentucky	14.96	17.59	5.01	3.36	8.37	4.59	4.55	9.14	24.85
Louisiana	19.28	23.88	4.97	1.53	6.49	4.18	2.68	6.86	18.66
Maine	15.06	17.72	4.91	2.48	7.40	4.38	3.46	7.84	18.81
Maryland	14.12	16.44	2.74	8.15	10.89	2.00	10.08	12.08	12.32
Massachusetts	10.09	11.22	2.50	6.96	9.46	2.03	8.08	10.12	15.86
Michigan	16.91	20.36	-1.17	-0.03	-1.19	-2.93	0.59	-2.34	-5.19
Minnesota	18.75	23.08	0.79	-0.43	0.37	-0.75	0.18	-0.57	3.75
Mississippi	19.57	24.33	5.00	-1.02	3.97	4.21	-0.47	3.74	18.92
Missouri	15.74	18.69	0.62	-0.29	0.33	-0.78	0.24	-0.53	3.82
Montana	14.47	16.91	2.31	1.93	4.24	1.38	2.80	4.18	17.88
Nebraska	20.73	26.15	6.64	-3.13	3.51	6.36	-3.16	3.19	23.16
Nevada	9.20	10.13	1.60	-5.84	-4.23	0.98	-6.11	-5.13	14.27
New Hampshire	7.08	7.62	1.91	2.51	4.41	1.52	2.93	4.45	11.75
New Jersey	7.58	8.21	0.58	0.22	0.80	0.14	0.49	0.63	4.95
New Mexico	10.59	11.84	3.82	-12.28	-8.46	3.40	-13.33	-9.94	24.43
New York	16.23	19.37	0.12	5.34	5.46	-1.30	6.96	5.66	0.50
North Carolina	15.60	18.49	14.78	1.94	16.72	16.25	2.92	19.17	38.52
North Dakota	16.81	20.20	4.98	1.55	6.52	4.31	2.52	6.84	27.33
Ohio	12.16	13.84	1.92	0.45	2.37	1.04	0.94	1.98	10.87
Oklahoma	17.12	20.66	1.68	-0.74	0.94	0.35	-0.24	0.12	8.71
Oregon	17.49	21.20	1.94	2.60	4.54	0.88	3.93	4.81	8.34
Pennsylvania	12.54	14.33	0.00	-3.28	-3.28	-1.03	-3.31	-4.34	-0.01
Rhode Island	10.19	11.35	9.68	7.33	17.01	10.19	8.52	18.71	44.07
South Carolina	12.71	14.56	1.76	-4.86	-3.10	0.94	-5.12	-4.17	9.27
South Dakota	19.00	23.46	5.35	-2.80	2.55	4.88	-2.74	2.14	27.44
Tennessee	11.64	13.17	0.39	3.33	3.72	-0.54	4.20	3.65	2.83
Texas	12.10	13.76	3.62	-0.91	2.71	2.95	-0.59	2.35	20.67
Utah	10.79	12.10	2.80	4.44	7.24	2.15	5.40	7.55	19.49
Vermont	13.71	15.89	0.58	7.26	7.84	-0.47	9.03	8.56	2.64
Virginia	12.40	14.15	2.25	-4.34	-2.10	1.50	-4.52	-3.03	15.34
Washington	16.68	20.02	6.76	-1.00	5.76	6.69	-0.57	6.12	22.80
West Virginia	11.91	13.52	-2.77	-5.25	-8.02	-4.11	-5.54	-9.65	-26.21
Wisconsin	19.95	24.92	-0.74	2.21	1.47	-2.89	3.55	0.66	-2.88
Wyoming	12.14	13.82	2.60	4.33	6.92	1.88	5.43	7.31	19.30
United States	15.94	18.96	3.98	-0.15	3.84	3.26	0.42	3.68	18.17

Source: Economic Research Service, U.S. Department of Agriculture.

Table 4-3—Farm financial ratios by State, 1993

Year	Liquidity			Efficiency			
	Farm business debt service coverage	Debt servicing	Times interest earned	Gross ratio	Interest to gross cash farm income	Asset turnover ratio	Net cash farm income to debt
<i>Ratio</i>							
Alabama	4.64	0.09	10.22	63.57	3.41	27.90	94.69
Alaska	4.46	0.10	10.28	60.16	3.84	5.56	78.82
Arizona	3.64	0.12	9.54	61.60	4.32	17.65	76.21
Arkansas	2.43	0.12	5.58	76.11	4.78	31.97	47.40
California	2.86	0.12	7.25	71.29	4.56	29.99	53.62
Colorado	2.47	0.12	6.06	75.01	4.56	25.69	47.60
Connecticut	5.92	0.08	17.66	57.49	2.46	21.22	114.30
Delaware	2.68	0.09	6.47	78.66	3.17	45.27	49.32
Florida	4.34	0.10	9.94	59.59	4.46	25.75	75.05
Georgia	3.78	0.11	8.50	63.52	4.25	29.80	71.08
Hawaii	1.85	0.10	5.62	85.84	3.70	12.18	32.74
Idaho	2.65	0.15	7.14	64.89	5.71	25.47	51.94
Illinois	2.11	0.15	3.94	73.80	6.25	17.26	39.97
Indiana	2.23	0.14	3.74	74.17	6.05	20.92	40.57
Iowa	2.06	0.17	2.56	72.58	6.61	22.23	39.80
Kansas	2.17	0.14	4.97	74.68	5.34	27.95	45.35
Kentucky	3.63	0.12	7.00	59.93	4.93	20.43	64.09
Louisiana	2.06	0.15	4.08	75.04	5.73	27.07	42.71
Maine	2.69	0.12	8.14	70.72	4.09	24.85	54.89
Maryland	2.90	0.11	6.51	71.65	3.93	20.54	48.62
Massachusetts	3.50	0.13	10.04	60.10	4.06	14.94	67.78
Michigan	1.98	0.13	5.03	78.50	4.95	23.23	37.12
Minnesota	1.57	0.18	1.73	78.83	6.68	20.81	30.40
Mississippi	1.71	0.15	3.07	80.92	6.04	26.42	34.96
Missouri	1.50	0.19	2.53	79.58	7.51	15.74	28.27
Montana	2.29	0.20	6.27	63.07	7.80	12.54	40.83
Nebraska	2.27	0.15	5.05	71.77	5.61	29.20	47.95
Nevada	3.02	0.13	7.29	66.59	5.20	12.18	52.32
New Hampshire	4.82	0.08	13.90	62.71	2.76	15.69	88.26
New Jersey	3.51	0.11	9.54	65.43	3.79	12.19	62.82
New Mexico	3.11	0.12	7.59	66.98	4.63	16.71	59.77
New York	2.56	0.14	6.46	69.01	4.58	22.75	50.82
North Carolina	5.95	0.07	15.04	58.35	2.72	40.27	114.29
North Dakota	2.16	0.18	3.68	67.04	7.01	18.37	43.64
Ohio	2.99	0.12	4.82	70.00	4.85	18.77	56.23
Oklahoma	2.28	0.17	5.33	67.54	6.17	20.61	46.48
Oregon	2.27	0.12	5.70	77.44	4.79	23.38	40.11
Pennsylvania	3.40	0.11	7.62	67.03	3.82	20.21	60.48
Rhode Island	6.72	0.09	20.87	41.55	2.91	21.04	129.80
South Carolina	3.04	0.12	6.16	68.70	4.48	20.08	58.68
South Dakota	2.21	0.19	5.08	64.16	7.20	20.66	46.57
Tennessee	2.38	0.16	5.27	68.90	5.89	13.51	44.72
Texas	2.81	0.13	7.20	68.80	4.72	18.98	56.08
Utah	3.21	0.14	7.92	61.23	5.11	14.57	61.09
Vermont	3.28	0.12	7.57	64.93	4.07	21.21	60.12
Virginia	2.61	0.15	5.08	66.80	5.95	14.44	46.58
Washington	2.96	0.10	8.05	73.65	3.85	30.29	56.49
West Virginia	2.28	0.16	3.87	70.26	6.71	12.50	38.33
Wisconsin	1.76	0.16	3.11	78.01	5.83	24.79	34.16
Wyoming	1.99	0.18	5.98	70.34	6.67	12.87	38.92
<u>United States</u>	2.55	0.14	5.55	70.59	5.23	22.43	49.25

See footnote at end of table.

Continued—

Table 4-3—Farm financial ratios by State, 1993—Continued

State	Solvency		Profitability				Returns to farm assets to gross cash farm income		
	Debt to assets	Debt to equity	Rates of return on assets from:		Rates of return on equity from:		Total	Total	
		Current income	Real capital gains	Total	Current income	Real capital gains	Total	Percent	
Alabama	11.34	12.78	5.83	5.20	11.03	5.53	6.19	11.72	20.91
Alaska	2.80	2.88	-0.04	-0.44	-0.48	-0.27	-0.37	-0.64	-0.80
Arizona	9.95	11.05	5.66	0.21	5.87	5.44	0.48	5.91	32.09
Arkansas	19.53	24.27	6.02	-0.23	5.79	5.57	0.25	5.82	18.84
California	18.86	23.24	7.22	-2.32	4.90	7.19	-2.33	4.86	24.09
Colorado	15.63	18.53	4.03	6.58	10.62	3.40	8.26	11.66	15.69
Connecticut	8.04	8.75	4.50	5.27	9.78	4.34	5.97	10.31	21.22
Delaware	21.96	28.14	6.68	6.97	13.65	6.77	9.65	16.42	14.76
Florida	15.47	18.31	8.07	3.11	11.18	8.18	4.08	12.26	31.35
Georgia	16.80	20.19	7.07	-1.26	5.81	7.00	-1.05	5.95	23.73
Hawaii	6.05	6.44	0.81	7.19	8.01	0.39	7.88	8.27	6.68
Idaho	18.88	23.27	6.89	7.58	14.47	6.80	10.06	16.85	27.06
Illinois	13.69	15.86	2.44	5.61	8.05	1.58	6.90	8.48	14.13
Indiana	15.93	18.94	2.47	3.59	6.06	1.44	4.76	6.20	11.81
Iowa	19.20	23.76	0.58	2.95	3.53	-1.09	4.17	3.08	2.62
Kansas	18.76	23.10	3.90	4.21	8.11	2.96	5.72	8.68	13.94
Kentucky	13.76	15.96	1.97	1.93	3.90	1.13	2.64	3.77	9.67
Louisiana	19.63	24.43	2.77	0.08	2.86	1.51	0.66	2.18	10.23
Maine	15.16	17.87	1.38	4.65	6.03	0.43	5.88	6.31	5.56
Maryland	13.19	15.20	1.67	7.58	9.25	1.00	9.14	10.14	8.15
Massachusetts	9.33	10.28	1.58	5.23	6.81	1.07	6.04	7.11	10.54
Michigan	16.19	19.32	-0.53	3.14	2.61	-2.01	4.21	2.20	-2.28
Minnesota	19.38	24.04	-3.74	-0.59	-4.34	-6.34	-0.20	-6.54	-17.98
Mississippi	18.44	22.60	1.95	2.10	4.04	0.43	3.13	3.56	7.37
Missouri	15.37	18.16	-0.88	0.88	-0.01	-2.45	1.46	-0.99	-5.61
Montana	13.09	15.06	3.60	7.18	10.79	3.04	8.69	11.74	28.73
Nebraska	20.49	25.77	5.23	5.00	10.24	4.52	6.88	11.41	17.92
Nevada	8.79	9.64	2.33	1.76	4.09	1.86	2.16	4.03	19.10
New Hampshire	7.15	7.70	-0.40	5.08	4.68	-0.90	5.64	4.74	-2.55
New Jersey	7.31	7.89	1.19	3.09	4.28	0.78	3.53	4.31	9.76
New Mexico	10.47	11.69	3.79	1.06	4.84	3.37	1.44	4.81	22.67
New York	15.64	18.54	-1.32	7.10	5.78	-2.81	8.88	6.07	-5.80
North Carolina	15.66	18.57	14.78	-1.43	13.35	16.22	-1.27	14.95	36.70
North Dakota	16.84	20.25	2.28	3.02	5.31	1.20	4.09	5.29	12.43
Ohio	11.14	12.53	0.81	5.01	5.82	-0.12	5.98	5.86	4.30
Oklahoma	17.13	20.67	2.64	-0.01	2.63	1.65	0.46	2.11	12.81
Oregon	14.53	17.00	4.78	4.83	9.61	4.35	6.21	10.56	20.43
Pennsylvania	12.06	13.71	-0.86	4.07	3.21	-1.86	4.96	3.10	-4.24
Rhode Island	9.72	10.76	8.72	5.62	14.33	9.00	6.49	15.48	41.43
South Carolina	11.79	13.37	2.49	-0.32	2.16	1.81	-0.04	1.77	12.37
South Dakota	19.18	23.73	3.99	3.29	7.28	3.10	4.60	7.69	19.33
Tennessee	10.71	11.99	-1.05	-2.51	-3.56	-2.08	-2.52	-4.61	-7.81
Texas	12.21	13.90	3.78	0.75	4.53	3.28	1.17	4.45	19.90
Utah	10.16	11.31	2.20	3.67	5.87	1.63	4.36	5.99	15.12
Vermont	13.89	16.13	-1.05	8.08	7.03	-2.22	9.74	7.52	-4.95
Virginia	11.89	13.50	0.08	-0.85	-0.78	-0.89	-0.65	-1.54	0.55
Washington	15.76	18.70	8.12	8.77	16.89	8.29	10.90	19.19	26.79
West Virginia	11.87	13.46	-3.17	-3.05	-6.21	-4.55	-3.15	-7.70	-25.35
Wisconsin	20.42	25.67	-2.57	1.31	-1.27	-5.04	2.21	-2.83	-10.39
Wyoming	11.91	13.52	1.53	6.50	8.03	0.76	7.69	8.46	11.89
United States	15.61	18.50	2.91	2.44	5.35	2.07	3.32	5.39	12.99

Source: Economic Research Service, U.S. Department of Agriculture.

Table 4-4—Farm financial ratios by State, 1994

Year	Liquidity			Efficiency			
	Farm business debt service coverage	Debt servicing	Times interest earned	Gross ratio	Interest to gross cash farm income	Asset turnover ratio	Net cash farm income to debt
<i>Ratio</i>							
Alabama	4.50	0.09	10.58	64.21	3.53	26.14	93.33
Alaska	2.98	0.14	4.57	66.31	8.65	5.33	82.19
Arizona	2.45	0.13	6.00	72.38	4.99	15.89	52.89
Arkansas	3.01	0.11	6.65	71.18	4.50	34.49	59.11
California	2.79	0.12	6.80	71.96	4.75	31.42	53.55
Colorado	1.66	0.14	3.71	82.75	5.42	22.76	33.18
Connecticut	5.00	0.08	13.63	61.49	3.14	20.58	104.68
Delaware	2.46	0.09	6.08	81.54	3.49	45.55	49.19
Florida	3.85	0.11	8.56	61.17	5.11	24.55	68.66
Georgia	4.05	0.11	10.25	61.64	4.30	31.21	79.50
Hawaii	1.59	0.09	5.08	89.16	3.95	11.98	29.08
Idaho	1.79	0.16	4.65	77.21	6.30	24.15	36.66
Illinois	1.49	0.17	5.03	81.31	6.97	14.80	28.21
Indiana	1.25	0.17	3.74	85.89	7.13	16.88	22.68
Iowa	1.37	0.18	5.17	82.11	7.30	20.01	26.32
Kansas	1.89	0.15	5.01	77.73	5.78	26.82	40.27
Kentucky	3.11	0.14	6.64	62.53	5.92	18.24	57.40
Louisiana	2.06	0.15	4.99	75.61	5.86	27.51	43.16
Maine	2.02	0.14	6.15	77.00	4.97	24.34	43.84
Maryland	2.18	0.12	5.15	78.06	5.13	18.62	39.52
Massachusetts	3.09	0.13	8.16	64.81	4.92	14.98	64.05
Michigan	1.65	0.14	3.39	82.14	5.73	21.96	32.51
Minnesota	1.10	0.19	4.01	86.35	7.76	20.44	22.08
Mississippi	1.63	0.14	4.51	82.31	5.90	25.92	33.10
Missouri	1.58	0.18	3.40	78.68	7.30	16.05	29.76
Montana	1.70	0.21	3.61	72.91	8.71	11.66	31.53
Nebraska	1.76	0.17	5.22	76.34	6.64	25.73	37.89
Nevada	2.09	0.13	5.25	78.45	5.45	12.04	37.39
New Hampshire	3.97	0.09	11.10	67.06	3.58	15.09	77.11
New Jersey	3.82	0.10	9.85	65.70	4.00	12.73	71.92
New Mexico	2.12	0.13	5.67	77.65	5.16	15.49	41.67
New York	2.04	0.15	4.90	75.01	5.50	22.44	42.82
North Carolina	5.46	0.08	14.34	59.59	3.10	41.26	112.61
North Dakota	1.75	0.20	4.44	72.52	7.76	17.50	36.29
Ohio	2.59	0.12	6.07	73.01	5.16	16.84	48.64
Oklahoma	1.63	0.18	5.07	76.65	6.66	19.30	33.58
Oregon	2.07	0.12	5.08	79.98	4.83	21.41	37.87
Pennsylvania	2.61	0.12	5.75	73.67	4.77	19.44	49.93
Rhode Island	6.10	0.10	16.14	45.25	3.67	20.36	124.90
South Carolina	3.43	0.11	8.68	65.40	4.45	20.76	70.18
South Dakota	1.96	0.21	5.79	67.54	7.73	20.18	41.94
Tennessee	2.49	0.16	5.39	67.32	6.58	13.61	49.09
Texas	2.55	0.14	6.55	70.19	5.06	18.03	51.73
Utah	2.24	0.15	5.70	72.95	5.67	13.38	44.43
Vermont	2.61	0.13	6.28	70.45	5.19	20.48	50.83
Virginia	2.60	0.15	5.74	67.43	6.24	14.27	47.91
Washington	2.61	0.11	6.05	76.23	4.15	29.22	51.09
West Virginia	1.96	0.16	3.77	75.11	7.10	12.46	34.38
Wisconsin	1.20	0.17	3.17	86.08	6.73	23.64	24.34
Wyoming	1.33	0.21	2.68	79.87	8.17	11.25	27.12
United States	2.17	0.14	5.67	74.42	5.72	21.40	42.91

See footnote at end of table.

Continued—

Table 4-4—Farm financial ratios by State, 1994—Continued

State	Solvency		Profitability				Returns to farm assets to gross cash farm income		
	Debt to assets	Debt to equity	Rates of return on assets from:		Rates of return on equity from:		Total	Total	
		Current income	Real capital gains	Total	Current income	Real capital gains	Total	Percent	
Alabama	10.71	12.00	6.66	6.07	12.74	6.45	7.11	13.56	25.50
Alaska	2.70	2.77	-0.13	-0.96	-1.08	-0.61	-0.92	-1.52	-2.39
Arizona	9.65	10.69	3.33	3.22	6.55	2.81	3.83	6.64	20.95
Arkansas	19.36	24.01	7.70	-0.68	7.02	7.63	-0.28	7.35	22.32
California	19.62	24.41	7.71	-2.80	4.91	7.70	-2.92	4.78	24.54
Colorado	15.48	18.32	1.72	3.01	4.73	0.57	3.99	4.56	7.54
Connecticut	8.34	9.10	3.98	-0.99	2.99	3.64	-0.88	2.76	19.36
Delaware	18.79	23.13	5.83	3.00	8.83	5.32	4.40	9.72	12.80
Florida	15.93	18.95	7.22	-0.56	6.67	7.08	-0.23	6.85	29.42
Georgia	16.69	20.03	9.88	2.84	12.72	10.26	3.87	14.13	31.66
Hawaii	6.13	6.53	0.80	-7.43	-6.62	0.35	-7.75	-7.40	6.70
Idaho	19.44	24.13	4.39	2.09	6.48	3.55	3.12	6.67	18.18
Illinois	13.26	15.28	4.05	4.20	8.25	3.48	5.21	8.69	27.35
Indiana	15.69	18.62	0.76	2.77	3.53	-0.52	3.72	3.20	4.52
Iowa	19.11	23.63	5.37	0.56	5.93	4.83	1.24	6.08	26.84
Kansas	18.59	22.84	5.23	1.46	6.69	4.53	2.33	6.86	19.50
Kentucky	13.82	16.04	3.25	4.02	7.27	2.51	5.03	7.54	17.79
Louisiana	18.94	23.36	5.78	4.07	9.84	5.16	5.60	10.76	21.00
Maine	15.90	18.90	0.63	-1.70	-1.07	-0.69	-1.59	-2.28	2.58
Maryland	12.35	14.09	1.42	6.29	7.71	0.53	7.55	8.08	7.61
Massachusetts	9.44	10.43	2.14	-1.01	1.13	1.54	-0.87	0.68	14.26
Michigan	15.68	18.60	-1.67	2.81	1.13	-3.49	3.78	0.29	-7.62
Minnesota	20.26	25.40	1.40	-1.27	0.12	-0.24	-1.03	-1.26	6.83
Mississippi	18.51	22.71	4.35	-0.50	3.85	3.46	-0.10	3.36	16.78
Missouri	15.49	18.33	0.69	-0.48	0.21	-0.56	-0.15	-0.71	4.32
Montana	13.39	15.46	1.56	3.62	5.19	0.63	4.52	5.15	13.41
Nebraska	20.66	26.04	5.99	1.26	7.25	5.39	2.19	7.58	23.29
Nevada	8.60	9.41	1.05	2.03	3.08	0.43	2.45	2.88	8.72
New Hampshire	7.14	7.69	-0.68	-1.15	-1.82	-1.31	-1.06	-2.37	-4.49
New Jersey	6.27	6.69	-0.08	4.40	4.31	-0.63	4.89	4.26	-0.64
New Mexico	10.00	11.11	1.96	1.23	3.19	1.29	1.63	2.93	12.65
New York	16.33	19.52	-2.15	-0.78	-2.93	-4.02	-0.49	-4.51	-9.57
North Carolina	16.21	19.34	17.24	2.45	19.69	18.99	3.33	22.32	41.79
North Dakota	17.14	20.69	4.48	0.48	4.95	3.76	1.04	4.80	25.58
Ohio	11.12	12.51	1.88	6.31	8.20	1.14	7.38	8.53	11.20
Oklahoma	17.37	21.03	2.19	-0.09	2.09	1.09	0.37	1.45	11.33
Oregon	13.60	15.74	2.40	4.53	6.93	1.59	5.65	7.24	11.21
Pennsylvania	12.16	13.85	-2.04	-0.21	-2.25	-3.38	0.08	-3.30	-10.50
Rhode Island	9.34	10.30	3.78	-0.82	2.95	3.35	-0.66	2.69	18.55
South Carolina	11.32	12.77	5.28	3.34	8.62	4.93	4.08	9.00	25.45
South Dakota	19.50	24.22	6.73	1.33	8.06	6.41	2.20	8.61	33.35
Tennessee	11.05	12.42	-0.63	1.22	0.59	-1.71	1.64	-0.07	-4.65
Texas	12.11	13.78	3.43	0.97	4.40	2.86	1.43	4.29	19.02
Utah	9.57	10.58	0.24	6.25	6.49	-0.58	7.19	6.61	1.77
Vermont	14.11	16.42	-1.01	2.54	1.53	-2.41	3.33	0.92	-4.91
Virginia	11.24	12.66	1.09	-0.18	0.91	0.23	0.10	0.33	7.67
Washington	16.18	19.30	6.73	0.02	6.75	6.57	0.46	7.03	23.04
West Virginia	11.32	12.76	-2.38	-2.29	-4.67	-3.70	-2.28	-5.98	-19.14
Wisconsin	19.71	24.55	-0.93	2.20	1.27	-3.16	3.34	0.18	-3.94
Wyoming	11.58	13.09	-0.27	2.27	2.00	-1.35	2.88	1.53	-2.43
United States	15.60	18.48	3.58	1.33	4.91	2.79	2.01	4.79	16.71

Source: Economic Research Service, U.S. Department of Agriculture.

Table 4-5—Farm financial ratios by State, 1995

Year	Liquidity			Efficiency			
	Farm business debt service coverage	Debt servicing	Times interest earned	Gross ratio	Interest to gross cash farm income	Asset turnover ratio	Net cash farm income to debt
<i>Ratio</i>							
Alabama	3.72	0.09	7.73	69.04	3.72	24.06	77.29
Alaska	5.40	0.08	11.72	59.18	3.41	5.66	105.29
Arizona	2.99	0.12	7.50	68.24	4.75	16.29	66.54
Arkansas	2.95	0.12	6.41	69.67	4.83	32.87	57.88
California	2.36	0.12	5.37	76.76	4.95	31.64	46.42
Colorado	1.48	0.14	3.72	84.55	5.85	22.38	30.28
Connecticut	4.19	0.09	11.11	66.50	3.22	19.72	87.56
Delaware	2.33	0.08	5.08	84.02	3.17	44.32	46.14
Florida	3.25	0.12	7.09	67.29	5.23	23.79	58.06
Georgia	3.92	0.11	8.92	62.71	4.35	32.21	78.29
Hawaii	1.23	0.09	3.97	92.81	3.66	11.44	23.51
Idaho	1.72	0.16	4.34	78.52	6.37	24.09	35.80
Illinois	1.96	0.17	2.92	73.99	7.15	14.94	38.51
Indiana	1.93	0.16	2.98	76.20	6.87	17.97	36.08
Iowa	2.05	0.17	3.92	71.63	7.29	21.50	40.87
Kansas	1.69	0.16	3.43	79.94	6.28	26.10	36.82
Kentucky	2.55	0.15	4.75	67.41	6.54	16.73	47.95
Louisiana	2.32	0.14	5.27	72.30	5.49	25.52	46.87
Maine	1.39	0.15	3.80	84.67	5.19	23.61	30.16
Maryland	2.20	0.11	4.05	79.51	4.60	18.92	39.17
Massachusetts	2.93	0.12	7.80	69.58	4.41	14.53	59.61
Michigan	2.22	0.14	4.68	74.84	5.63	22.16	44.47
Minnesota	1.46	0.20	3.04	79.37	8.16	21.34	30.32
Mississippi	2.11	0.14	4.12	76.17	5.48	26.79	41.74
Missouri	1.34	0.20	2.01	81.30	8.46	14.96	25.94
Montana	1.32	0.23	3.51	79.40	9.54	10.92	25.10
Nebraska	1.91	0.17	4.20	74.07	6.96	26.69	42.65
Nevada	1.68	0.14	4.14	81.87	6.08	10.40	30.66
New Hampshire	3.61	0.09	9.74	70.36	3.47	15.06	69.94
New Jersey	3.83	0.09	9.91	68.58	3.56	12.46	69.55
New Mexico	1.90	0.15	4.42	77.95	6.06	13.21	38.08
New York	1.68	0.15	3.78	79.97	5.55	23.13	35.39
North Carolina	4.81	0.08	11.28	62.98	3.28	41.28	102.55
North Dakota	1.52	0.22	2.55	75.38	8.77	17.02	32.87
Ohio	2.82	0.13	5.38	69.70	5.31	16.63	54.29
Oklahoma	1.32	0.21	2.77	80.91	8.06	18.19	28.07
Oregon	1.62	0.12	3.74	85.10	5.11	19.89	30.18
Pennsylvania	2.25	0.12	4.66	77.87	4.69	19.06	42.65
Rhode Island	4.73	0.12	12.98	48.91	4.27	19.65	91.61
South Carolina	3.00	0.11	6.57	70.12	4.40	20.36	61.99
South Dakota	1.89	0.21	3.53	68.29	8.42	20.09	41.54
Tennessee	1.86	0.17	4.17	74.65	7.21	12.28	36.93
Texas	1.88	0.15	4.40	78.47	5.74	17.98	39.74
Utah	1.87	0.16	4.65	76.90	6.22	11.74	37.95
Vermont	2.25	0.13	5.46	74.94	5.11	20.24	43.48
Virginia	2.43	0.14	5.26	70.93	6.12	13.82	44.93
Washington	2.41	0.11	5.23	78.72	4.24	30.63	48.96
West Virginia	1.65	0.16	2.59	80.07	7.14	11.90	29.37
Wisconsin	1.48	0.17	2.59	81.37	7.00	23.41	30.55
Wyoming	0.91	0.24	2.53	87.73	9.34	10.22	19.31
United States	2.10	0.15	4.41	75.04	6.00	21.27	42.59

See footnote at end of table.

Continued—

Table 4-5—Farm financial ratios by State, 1995—Continued

State	Solvency		Profitability				Returns to farm assets to gross cash farm income		
	Debt to assets	Debt to equity	Rates of return on assets from:		Rates of return on equity from:				
		Current income	Real capital gains	Total	Current income	Real capital gains	Total		
<i>Percent</i>									
Alabama	10.88	12.21	3.72	5.72	9.44	3.17	6.71	9.88	15.48
Alaska	2.05	2.09	0.09	0.80	0.89	-0.10	0.89	0.79	1.62
Arizona	8.30	9.06	4.03	10.04	14.08	3.58	11.28	14.86	24.76
Arkansas	20.57	25.89	5.96	-4.48	1.48	5.46	-4.98	0.48	18.14
California	18.83	23.20	5.49	4.90	10.39	4.86	6.66	11.52	17.36
Colorado	15.98	19.02	2.01	3.68	5.68	0.83	4.82	5.65	8.96
Connecticut	8.21	8.94	1.01	0.53	1.54	0.41	0.81	1.22	5.12
Delaware	18.01	21.97	2.74	5.10	7.84	1.64	6.82	8.46	6.18
Florida	15.16	17.86	4.81	0.40	5.21	4.22	0.94	5.17	20.23
Georgia	17.54	21.28	9.35	4.04	13.39	9.60	5.38	14.97	29.04
Hawaii	4.48	4.69	0.07	3.82	3.89	-0.37	4.20	3.82	0.58
Idaho	18.09	22.09	3.40	4.40	7.80	2.30	6.00	8.30	14.13
Illinois	12.51	14.30	1.70	7.27	8.97	0.73	8.71	9.43	11.39
Indiana	14.89	17.49	1.16	5.74	6.90	-0.09	7.23	7.14	6.45
Iowa	18.43	22.60	3.62	3.92	7.54	2.52	5.41	7.93	16.82
Kansas	18.75	23.08	2.62	-0.13	2.49	1.21	0.42	1.63	10.05
Kentucky	13.50	15.61	0.04	4.33	4.37	-1.22	5.41	4.19	0.27
Louisiana	17.30	20.92	5.34	6.02	11.35	4.80	7.90	12.70	20.91
Maine	16.21	19.35	-7.61	-0.34	-7.95	-10.53	0.07	-10.45	-32.23
Maryland	11.89	13.49	0.31	0.79	1.10	-0.64	1.26	0.62	1.63
Massachusetts	7.56	8.17	-0.68	0.72	0.04	-1.45	1.05	-0.40	-4.71
Michigan	15.02	17.68	-0.75	5.71	4.97	-2.36	7.20	4.84	-3.37
Minnesota	20.27	25.42	-0.21	2.38	2.16	-2.45	3.61	1.15	-1.01
Mississippi	19.11	23.62	3.03	-1.04	1.99	1.92	-0.70	1.22	11.31
Missouri	15.83	18.81	-1.95	2.05	0.10	-3.81	2.89	-0.93	-13.03
Montana	12.85	14.75	1.22	0.85	2.07	0.20	1.37	1.57	11.15
Nebraska	20.51	25.80	4.92	3.10	8.02	3.86	4.55	8.41	18.45
Nevada	7.84	8.51	-0.67	8.41	7.74	-1.42	9.39	7.97	-6.44
New Hampshire	7.11	7.66	0.14	0.47	0.61	-0.41	0.70	0.29	0.94
New Jersey	6.27	6.68	0.59	-0.57	0.01	0.15	-0.44	-0.29	4.71
New Mexico	9.54	10.54	1.28	5.31	6.59	0.54	6.15	6.68	9.72
New York	17.13	20.67	-3.92	-2.02	-5.94	-6.25	-1.91	-8.17	-16.96
North Carolina	16.24	19.39	15.10	5.37	20.47	16.41	6.88	23.28	36.58
North Dakota	17.44	21.13	1.44	0.01	1.45	-0.07	0.54	0.47	8.45
Ohio	10.71	12.00	0.70	6.59	7.29	-0.20	7.70	7.49	4.22
Oklahoma	17.82	21.69	-0.59	-3.18	-3.77	-2.49	-3.32	-5.81	-3.23
Oregon	12.79	14.67	0.51	3.29	3.80	-0.58	4.17	3.59	2.57
Pennsylvania	11.81	13.39	-3.29	3.70	0.41	-4.76	4.55	-0.21	-17.28
Rhode Island	14.37	16.78	-0.51	1.10	0.59	-1.53	1.52	-0.02	-2.60
South Carolina	11.18	12.59	1.32	-1.59	-0.27	0.47	-1.47	-0.99	6.46
South Dakota	19.33	23.96	1.70	2.34	4.04	0.02	3.51	3.52	8.48
Tennessee	10.62	11.88	-0.04	5.61	5.56	-1.04	6.59	5.55	-0.35
Texas	12.57	14.38	1.41	0.16	1.56	0.43	0.53	0.96	7.82
Utah	8.64	9.45	-0.07	7.52	7.44	-0.88	8.52	7.63	-0.63
Vermont	13.98	16.26	-0.52	3.31	2.78	-1.81	4.26	2.44	-2.59
Virginia	10.43	11.65	-0.62	2.25	1.63	-1.65	2.84	1.19	-4.52
Washington	15.75	18.69	5.26	2.61	7.88	4.72	3.59	8.31	17.18
West Virginia	10.63	11.89	-6.69	-1.86	-8.54	-8.46	-1.77	-10.23	-56.17
Wisconsin	19.56	24.32	-2.58	4.94	2.36	-5.25	6.75	1.50	-11.03
Wyoming	11.31	12.75	-0.98	3.42	2.44	-2.18	4.19	2.00	-9.59
United States	15.33	18.10	2.13	3.10	5.24	1.01	4.13	5.14	10.02

Source: Economic Research Service, U.S. Department of Agriculture.

Table 4-6—Farm financial ratios by State, 1996

Year	Liquidity			Efficiency			
	Farm business debt service coverage	Debt servicing	Times interest earned	Gross ratio	Interest to gross cash farm income	Asset turnover ratio	Net cash farm income to debt
<i>Ratio</i>							
Alabama	3.99	0.09	8.72	67.75	3.69	25.60	83.72
Alaska	5.21	0.08	10.69	61.97	3.57	5.25	111.22
Arizona	3.37	0.11	8.26	67.26	4.52	15.22	75.26
Arkansas	3.36	0.11	8.08	67.61	4.54	36.40	66.53
California	2.48	0.12	5.98	75.28	4.99	31.30	49.38
Colorado	1.72	0.15	4.50	80.46	5.66	22.18	34.41
Connecticut	4.69	0.09	11.36	62.13	3.23	19.65	100.48
Delaware	2.69	0.08	6.60	82.62	3.02	45.86	54.41
Florida	3.06	0.12	6.58	69.54	5.47	24.07	57.58
Georgia	4.02	0.10	9.36	62.63	4.21	34.80	81.01
Hawaii	0.95	0.09	3.29	95.35	3.87	9.71	20.33
Idaho	2.06	0.15	5.18	75.61	5.81	23.12	42.55
Illinois	1.74	0.17	4.85	77.39	7.14	14.65	34.25
Indiana	2.03	0.16	4.53	74.93	6.79	17.26	38.63
Iowa	2.35	0.16	5.67	68.28	6.84	22.76	46.87
Kansas	1.80	0.15	4.55	79.23	6.18	26.74	39.50
Kentucky	3.06	0.14	5.63	62.63	5.85	18.49	57.40
Louisiana	2.93	0.12	6.24	69.04	5.18	29.71	61.53
Maine	1.77	0.15	4.95	79.21	5.27	24.36	38.53
Maryland	2.61	0.11	6.18	76.43	4.48	20.41	48.29
Massachusetts	3.73	0.11	8.59	64.33	4.31	13.47	78.87
Michigan	2.03	0.15	3.32	76.40	5.95	19.86	41.00
Minnesota	2.17	0.17	4.67	69.54	7.07	25.13	45.10
Mississippi	2.49	0.13	5.73	74.09	5.27	28.40	49.78
Missouri	1.55	0.19	3.92	78.26	7.95	16.12	29.87
Montana	1.65	0.21	3.15	74.76	8.65	11.40	31.26
Nebraska	2.01	0.17	5.91	72.59	6.83	26.81	44.55
Nevada	1.55	0.14	4.55	84.02	6.07	9.86	28.68
New Hampshire	3.97	0.09	10.32	67.07	3.44	15.86	79.25
New Jersey	3.89	0.10	10.51	66.34	3.68	12.67	66.77
New Mexico	2.06	0.13	5.01	78.16	5.19	14.09	40.18
New York	1.98	0.15	4.69	76.47	5.57	24.46	42.92
North Carolina	5.22	0.08	13.71	61.85	2.93	43.03	109.91
North Dakota	1.73	0.20	4.38	73.24	8.00	18.90	37.40
Ohio	3.08	0.13	5.91	66.68	5.18	17.07	59.67
Oklahoma	1.27	0.21	2.97	81.86	8.10	18.01	26.70
Oregon	2.14	0.12	4.98	79.94	4.96	20.20	41.03
Pennsylvania	2.87	0.11	6.51	72.27	4.55	20.17	55.26
Rhode Island	4.36	0.11	11.42	54.65	4.38	17.32	88.09
South Carolina	3.32	0.11	7.83	68.85	4.23	21.18	71.53
South Dakota	1.98	0.20	5.46	68.44	8.05	21.44	43.49
Tennessee	2.29	0.16	3.67	70.04	6.49	12.85	44.94
Texas	2.19	0.14	4.45	74.56	5.69	17.87	45.90
Utah	1.74	0.17	5.27	76.27	5.77	11.52	34.36
Vermont	2.86	0.13	6.68	68.51	4.83	21.29	56.79
Virginia	2.55	0.14	5.13	71.08	5.84	14.06	48.49
Washington	2.92	0.10	7.46	74.62	4.13	31.87	60.75
West Virginia	1.42	0.17	1.65	83.73	7.36	10.24	26.02
Wisconsin	1.62	0.17	3.1	79.34	6.96	24.16	33.76
Wyoming	0.64	0.26	2.25	93.49	10.00	9.09	13.31
United States	2.33	0.14	5.47	72.83	5.79	21.84	47.35

See footnote at end of table.

Continued—

Table 4-6—Farm financial ratios by State, 1996—Continued

State	Solvency		Profitability				Returns to farm assets to gross cash farm income		
	Debt to assets	Debt to equity	Rates of return on assets from:		Rates of return on equity from:				
		Current income	Real capital gains	Total	Current income	Real capital gains	Total		
<i>Percent</i>									
Alabama	10.98	12.34	5.02	1.87	6.90	4.56	2.37	6.93	19.63
Alaska	2.07	2.11	-0.12	0.06	-0.06	-0.33	0.11	-0.21	-2.22
Arizona	6.92	7.43	4.00	3.25	7.26	3.62	3.75	7.37	26.31
Arkansas	20.12	25.19	9.84	-3.42	6.42	10.35	-3.73	6.62	27.03
California	18.81	23.16	6.81	2.25	9.07	6.46	3.31	9.77	21.77
Colorado	16.17	19.30	3.02	2.25	5.27	2.08	3.09	5.17	13.61
Connecticut	7.95	8.64	1.69	6.15	7.84	1.15	6.92	8.07	8.59
Delaware	16.52	19.79	4.94	5.39	10.33	4.30	7.02	11.33	10.76
Florida	14.99	17.63	5.29	-2.46	2.83	4.69	-2.49	2.21	21.97
Georgia	17.96	21.88	11.15	1.76	12.91	11.71	2.62	14.32	32.05
Hawaii	4.39	4.59	-0.20	1.50	1.30	-0.65	1.82	1.16	-2.04
Idaho	17.13	20.67	4.76	3.22	7.98	4.44	4.70	9.14	20.58
Illinois	12.65	14.49	4.29	3.57	7.86	3.67	4.36	8.03	29.31
Indiana	14.34	16.74	3.25	4.89	8.14	2.50	6.26	8.76	18.84
Iowa	18.24	22.31	7.23	5.41	12.64	6.80	6.99	13.79	31.78
Kansas	17.81	21.67	4.73	1.41	6.14	3.76	2.25	6.01	17.67
Kentucky	14.06	16.37	1.87	1.64	3.51	0.91	2.24	3.15	10.11
Louisiana	17.48	21.18	6.97	2.39	9.36	6.55	3.39	9.94	23.47
Maine	16.85	20.27	-0.70	-1.99	-2.69	-2.39	-1.94	-4.32	-2.88
Maryland	11.68	13.22	2.69	1.47	4.15	2.00	1.96	3.96	13.17
Massachusetts	7.48	8.09	0.27	6.10	6.38	-0.37	7.45	7.09	2.02
Michigan	14.89	17.49	-1.44	4.63	3.18	-3.23	6.09	2.86	-7.27
Minnesota	20.40	25.62	2.65	3.17	5.82	1.06	4.46	5.52	10.54
Mississippi	17.50	21.21	4.90	0.13	5.03	4.28	0.71	4.98	17.25
Missouri	16.09	19.17	1.20	1.49	2.69	-0.09	2.20	2.10	7.46
Montana	12.40	14.15	1.31	3.71	5.02	0.38	4.67	5.05	11.50
Nebraska	19.92	24.88	8.29	3.48	11.77	7.93	4.85	12.79	30.92
Nevada	7.22	7.78	-0.53	1.89	1.36	-1.21	2.22	1.01	-5.39
New Hampshire	7.57	8.19	0.88	-1.66	-0.78	0.37	-1.63	-1.27	5.56
New Jersey	7.96	8.64	1.73	-0.73	1.00	1.37	-0.63	0.74	13.69
New Mexico	9.63	10.65	2.14	2.55	4.69	1.58	3.08	4.66	15.20
New York	16.04	19.10	-1.89	3.78	1.89	-3.90	5.00	1.10	-7.73
North Carolina	16.68	20.02	15.50	0.27	15.77	17.45	0.78	18.24	36.02
North Dakota	17.40	21.06	5.40	2.30	7.70	4.66	3.25	7.91	28.55
Ohio	11.09	12.48	2.21	3.96	6.17	1.48	4.67	6.15	12.96
Oklahoma	17.61	21.38	-1.29	0.48	-0.80	-3.34	1.08	-2.26	-7.14
Oregon	12.01	13.65	2.78	2.10	4.87	2.04	2.74	4.78	13.75
Pennsylvania	11.46	12.95	0.47	1.72	2.19	-0.50	2.23	1.73	2.31
Rhode Island	7.70	8.34	-0.70	5.69	4.99	-1.83	7.48	5.66	-4.05
South Carolina	11.22	12.63	3.90	-0.62	3.28	3.62	-0.46	3.16	18.43
South Dakota	18.96	23.39	7.29	1.82	9.11	6.74	2.76	9.50	33.97
Tennessee	10.43	11.64	-1.13	3.49	2.37	-2.21	4.21	2.00	-8.75
Texas	11.60	13.12	1.25	2.45	3.70	0.26	3.10	3.36	6.97
Utah	11.01	12.38	0.65	2.94	3.59	-0.01	3.46	3.45	5.68
Vermont	14.65	17.16	-0.57	2.60	2.03	-1.96	3.57	1.61	-2.66
Virginia	9.81	10.87	0.50	0.83	1.33	-0.36	1.19	0.83	3.57
Washington	14.97	17.61	7.28	6.12	13.39	6.98	7.58	14.56	22.83
West Virginia	10.35	11.54	-5.63	-1.62	-7.25	-8.04	-1.77	-9.81	-54.96
Wisconsin	19.36	24.01	-1.32	2.94	1.62	-3.66	4.15	0.49	-5.45
Wyoming	11.01	12.38	-0.10	3.18	3.08	-1.12	3.82	2.71	-1.05
United States	15.09	17.77	3.77	2.52	6.29	2.95	3.38	6.33	17.25

Source: Economic Research Service, U.S. Department of Agriculture.